this careful balancing. Faced with having to recover all of its costs above TSLRIC from retail services, and retaining a legal opportunity to earn a fair return on their investment, incumbent LECs will likely resort to increase dial tone rates. Needless to say, for rural, high cost states that already have high rates, affordability (which is mandated by both federal and state law) will be imperiled. This could, in turn, require much higher distributions from the federal Universal Service Fund to meet the section 254(b)(3) goal of reasonably comparable rates. To avoid these outcomes, states such as Vermont need flexibility to establish reasonable cost-based prices for unbundled elements.

FCC NPRM Docket CC 96-98 May 16, 1996

Respectfully submitted,

for the MAINE PUBLIC UTILITIES COMMISSION

STORY OF BUILDING

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Wednesday, May 15, 1996 08:43:44 AM New Mexico State Corp. Comm.

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Respectfully submitted,

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